A COMPREHENSIVE U.S. TRADE AND DEVELOPMENT POLICY TOWARD SUB-SAHARAN AFRICA

A REPORT SUBMITTED BY THE PRESIDENT OF THE UNITED STATES TO CONGRESS

THE FOURTH OF FIVE ANNUAL REPORTS

DECEMBER 1998

[Office of the United States Trade Representative]

The 1998 Comprehensive U.S. Trade and Development Policy for the Countries of Sub-Saharan Africa

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I. Overview: The Administration's Trade and Development Policy Toward Sub-Saharan Africa

The Administration's comprehensive Africa trade policy represents an innovation in our nation's foreign policy agenda. Until the early 1990's, our Africa policy was dominated by the anti-apartheid movement and the Cold War. However, the Clinton Administration, working with members of Congress, has made significant progress in developing and executing a new and vibrant Africa trade policy. The first steps toward a new approach were initiated in 1993 with a trip to South Africa by the late Secretary of Commerce, Ronald Brown. This approach was strengthened in 1994 with a Congressional amendment to the Uruguay Round Implementing Legislation mandating the Executive Branch to develop an Africa trade policy. These efforts culminated in President Clinton's *Partnership for Economic Growth and Opportunity in Africa* (Partnership Initiative), which was announced and adopted in 1997. The President's Partnership Initiative embodies key policy objectives essential to achieving Africa's integration into the global economy. These include support for economic reforms underway in the region, enhanced U.S. sub-Saharan economic engagement, support for Africa's full integration into the multilateral trading system, and support for sustainable economic development.

The Administration's Partnership Initiative was developed with bipartisan Congressional consultations and support. The Initiative includes key provisions of bipartisan Congressional legislation, "The African Growth and Opportunity Act." President Clinton strongly supports this legislation and will work actively with Congress for its passage in 1999. Passage of the African Growth and Opportunity Act by Congress is critical to U.S. policy efforts in the region. The legislation, when enacted into law, will provide enhanced U.S. market access under the Generalized System of Preferences Program for the region's boldest reformers, thereby supporting the development of the African private sector and creating incentives for additional reform. Trade will complement aid in this new relationship.

American trade and development policy toward sub-Saharan Africa rests on the same fundamental principles as those which guide our policies toward Europe, Latin America, or Asia. That is, we have a profound interest in prosperity and peace; open trade and sustainable economic development help us achieve both goals by raising living standards and creating jobs in the United States and abroad.

A forward-looking trade policy with the countries of Africa is in our national interest. It promotes U.S. commercial interests in the region. It supports economic growth which enables African countries to better address issues such as hunger, population growth, and environmental degradation. It also advances ongoing U.S. efforts to foster greater integration of global markets.

The Administration views Africa as one of the world's emerging economic opportunities. We also believe that a sound policy framework in African countries that opens economies to private sector trade and investment offers the greatest potential for growth and poverty alleviation.

Sub-Saharan Africa's prospects are promising as evidenced by sustained economic growth rates and lowered inflation and budget deficits. Export opportunities for the United States should grow substantially if these trends continue. African nations plan major capital investments in such areas as telecommunications, civil aviation and information technology; the United States is particularly competitive in these areas.

Our trade policy is also premised on the belief that U.S. and African trade interests are compatible and that Africa's successful integration into the global economy is of mutual benefit. Many African countries are pursuing trade policies that we support, including regional economic integration; liberalization of trade and investment regimes; privatization of state-owned enterprises; private sector development; and trade and investment promotion.

Despite the region's progress in advancing these trade and social policy objectives, immense challenges abound. Conflicts in West and Central Africa continue to drain precious financial and governmental resources away from reform efforts. Instability discourages investment and inhibits efforts to ensure inclusive political and economic reform. Poverty remains widespread as do a host of social, economic, environmental, and health problems that hamper productivity and growth. The economies of the region are for the most part small and fragile. By virtually every social and economic indicator, sub-Saharan Africa has not performed as well as other developing regions. For example, of the four major developing regions in the world, sub-Saharan Africa has the lowest GDP per capita growth rate, the lowest life expectancy rate, the lowest primary school enrollment rate, the lowest literacy rate, the highest infant mortality rate, and the highest percentage of people living under the international poverty line.

In order to promote growth and raise living standards, sub-Saharan Africa will need substantial capital inflows on an annual basis. Bilateral and multilateral foreign aid, though vitally important, cannot possibly provide the requisite capital. The bulk of this capital can only come from private foreign investment. To date the region has attracted less than 3 percent of all foreign direct investment committed to developing countries. At the same time, we believe that trade should not replace aid. Effective aid assists countries in building healthy, literate and informed populations able to take advantage of the opportunities offered by increased trade and investment. Well-focused assistance, combined with strong reforms, and increased trade and investment will break Africa's old patterns of dependency.

The difficult problems facing this vast continent should not obscure its great promise. The Administration's Africa trade policy represents a constructive and comprehensive American response to the challenges confronting the region as well as the progress that African people are making everyday in realizing their potential.

This 1998 Trade Policy Report outlines progress made in meeting the Administration's key policy objectives. It provides an overview of the economic climate in the region, which affects U.S. policy and commercial interests. This report also offers a U.S. policy matrix, a table detailing U.S.-sub-Saharan Africa trade flows and a chart of selected economic indicators. It is the most comprehensive in the series of reports.

II. Sub-Saharan Africa 1997/1998 Economic Overview

In 1997 and 1998, adverse weather, global financial shocks, declining aid contributions, the AIDS epidemic, and decreases in the prices of some key exports challenged sub-Saharan African countries. Despite these obstacles, many African nations continued to implement sound political and economic reforms. Africa's reformers are increasingly integrating their economies into the global trading system and are beginning to experience sustained economic growth.

A. Economic Growth

In 1997, sub-Saharan Africa achieved a GDP growth rate of 4 percent. However, declining oil prices and agricultural output resulted in a slight decrease in the projected rate of growth. Per capita income in the region grew at just under 1 percent. While export earnings grew at a rate of 3 percent, the rate of increase was still considerably less than the rate achieved in 1996. Commodity price developments varied in 1997. Most food prices, including those of wheat and rice, fell in 1997, although the price of beverages such as coffee, tea, and cocoa rose. The fall in wheat and rice prices lowered costs for net food-importing countries. These price declines favored some least developed countries in Africa.

Africa's macroeconomic indicators demonstrate the positive results of reforms on economies throughout the region. If South Africa and Nigeria, the region's two largest economies, are excluded, the increases in GDP and per capita income achieved during 1997 are greater still, at 4.5 percent and 1.6 percent, respectively. Equally noteworthy, inflation in Africa fell to a decade-low 13 percent during 1997. This contrasts sharply with a decade-high inflation rate of 44 percent in 1994. Overall fiscal deficit figures for the continent are encouraging as well. The fiscal deficit as a percentage of gross national production declined in 1997 to approximately 4.5 percent. This is approximately half of the 1992 level.

Individual country analysis reveals a more mixed picture. In 1997, a number of countries in sub-Saharan Africa -- Angola, Benin, Botswana, Côte d'Ivoire, Equatorial Guinea, Ethiopia, Guinea-Bissau, Lesotho, Mauritius, and Uganda -- enjoyed GDP growth of nearly 6 percent. Tables 1 and 2 in the appendix reveal the progress these countries have experienced in the areas of economic growth and investment[1]. Mozambique had double digit growth during 1997 and is projected to grow at nearly 9 percent in 1998[2]. In contrast, twelve African countries suffered a decline in GDP. Armed conflict in Burundi, Sierra Leone, the Central African Republic, Comoros, Republic of the Congo and the Democratic Republic of the Congo severely affected these countries' growth rates. South Africa, hit particularly hard by reduced aggregate demand in both domestic and foreign markets, saw its growth slow to 1.75 percent in 1997. Nigeria's 1997 growth stalled in the face of weak domestic demand, declining oil prices, and low levels of investor confidence. [Note: These figures do not take into account political and economic changes that occurred in 1998.] Kenya's growth rate also declined as a result of financial market pressures related to political uncertainties.

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[1] IMF and World Bank databases.

[2] IMF in ESAF review 1998.

B. Debt

As a region, the countries of sub-Saharan Africa have reduced internal and external imbalances. The regional external current account deficit, including grants, has fallen from an average of about 8 percent of GDP in 1992 to an estimated 6 percent in 1997, while Africa's overall fiscal deficit has been cut from about 9 percent of GDP to about 4 percent over the same period. Relief is being granted, with strong U.S. support, for the external debt burden of selected heavily indebted poor countries (HIPCs), including their debt to multilateral institutions. Under the HIPC initiative, bilateral creditors, through the Paris Club, and multilateral creditors have committed to provide nearly $5 billion in debt-service relief for five African countries -- Burkina Faso, Côte d' Ivoire, Mali, Mozambique, and Uganda.

C. Growth in Trade with the United States

U.S. exports to Sub-Saharan Africa rose nominally in 1997, from $6.0 billion to $6.1 billion, an increase of 0.4 percent. Total U.S. trade with the region, however, increased to a record high for the third consecutive year to $22.0 billion. During the first six months of 1998, exports to the region increased by 5 percent over the comparable period last year. Transportation equipment, machinery, agricultural commodities, electronic equipment and chemicals are the dominant U.S. exports to the countries of sub-Saharan Africa. In 1997, exports in these sectors accounted for nearly 80 percent of the total. U.S. imports from sub-Saharan Africa rose to $16 billion in 1997, about 2 percent of the total merchandise imported by the United States. The great majority was crude oil, of which Nigeria and Angola were the U.S.'s fifth and eighth largest global suppliers, respectively. In fact, oil imports from Africa accounted for 13.5% of total U.S. crude imports.

While U.S. market penetration in Africa remains low, at under 8 percent, the U.S. currently exports more goods to the countries of sub-Saharan Africa than to all of the Newly Independent States (NIS) of the Former Soviet Union. In 1997, the U.S. rose from third to second place as the region's largest industrial supplier. The United States is the largest single market for sub-Saharan African exports.

D. Foreign Direct Investment, Development Assistance and Capital Flows

In 1997, sub-Saharan Africa received 2.5 percent of global net foreign direct investment (FDI) flows to developing countries, compared to an average of 3.6 percent during 1990-96. This decline reflects, in part, the fact that a few developing countries, such as China, are absorbing an increasingly larger share of the direct investment going to developing countries. Investment flows to sub-Saharan Africa are focused on a few countries and industries; Angola, Nigeria, and South Africa accounted for 70 percent of FDI flows to the region in 1997. Investments were mainly directed to the oil and mining industries in Angola and Nigeria, and to the manufacturing and service industries in South Africa. Investments in Ghana focused on mining, light manufacturing, and telecommunications. FDI accounts for only 1 percent of sub-Saharan Africa's GDP, compared with 2 percent for all developing economies.

U.S. gross direct investment flows to sub-Saharan Africa more than quadrupled in 1997 to $3.8 billion. Yet U.S. investment in the region amounted to only about 3.3 percent of total U.S. direct investment flows abroad in 1997. U.S. companies invest primarily in South Africa and in the petroleum sectors of Nigeria and Angola. South Africa received $1.4 billion of U.S. investments, 28.6 percent of the total. Improved infrastructure, increased market integration, and continued economic reform would further enhance the region's competitiveness relative to alternative investment destinations in Asia and Latin America.

Six countries in Sub-Saharan Africa[3] achieved impressive records in attracting FDI during the period 1992-1996. Five of these six countries -- Botswana, Ghana, Mozambique, Namibia, and Uganda -- succeeded largely because of their ability to promote fast-growing national markets, their access to large regional markets, and their continuing privatization programs. Each country is also reforming its regulatory framework for accepting FDI. Political stability coupled with strong economic reforms has contributed to a more predictable and attractive environment for investment in these countries.

Last year, official development assistance (ODA) accounted for 60 percent of the $21 billion net capital inflow into sub-Saharan Africa. In nominal terms, the $13 billion of ODA received last year was $3 billion less than in 1990, while in real terms it was down by one-quarter.[4] Declining aid inflows, however, are being offset by increased private inflows. These doubled last year to about $8 billion, from $4 billion in 1996. Most of this growth is attributable to increased commercial bank lending to a handful of countries. South Africa is by far the largest recipient of this increased lending. While 13 sub-Saharan countries borrowed on the syndicated loan market in 1997, commitments to South Africa accounted for 73 percent of the total, increasing from $5 billion in 1996 to $7 billion last year.

E. Impact of The Asian Financial Crisis

Sub-Saharan Africa has not been immune to the financial shocks in East Asia. Economic turmoil in Asia, in combination with other factors, has led to nominal decreases in projected growth rates in the region and to a projected two percent increase in the external current account deficit for 1998, which is now estimated at 6 percent of GDP[5]. According to a report in a recent IMF publication, sub-Saharan African exports of metals, fuels, and agricultural raw materials declined because of weakened demand in Asia and low world commodity prices.[6] Specifically, the report notes that the sharp decline in copper and gold prices adversely affected copper exporter Zambia and the gold exporting countries of Ghana, Mali, South Africa, and Zimbabwe. Further, reduced demand for diamonds had similar effects on the economies of Botswana, Namibia, and South Africa. Increasing Asian competitiveness in cotton production will likely challenge African cotton producers such as Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Mali, and Togo. The IMF report also notes that effects on Africa's currency and equity markets have been minor because of the nascent development stage of most African financial markets and Africa's relatively poor integration into the global economy. Nevertheless, African governments have expressed concern about possible reductions in FDI flows to the region because of the Asian economic crisis.

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[3] *World Investment Report 1998, Trends and Determinants*. November 1998, United Nations, New York and Geneva.

[4] *Global Development Finance Report 1998*. World Bank, Washington, D.C.

[5] Calamitsis, Evangelos, "How Has the Asian Crisis Affected Other Regions?" *Finance and Development*, Sept 1998, Volume 35, Number 3, International Monetary Fund, Washington, D.C.

[6] Ibid.

The Asian financial crisis contributed to a loss in African market share by all industrial country suppliers in 1997, according to the Department of Commerce. Currency depreciation made Asian exports more competitive in African markets. At the same time, declining demand in Asia for Africa's exports reduced hard currency for African importers. Asia's exports to Africa increased 145 percent in one year.

III. Progress on Policy Objectives

As noted in the Overview of this report, the President's Partnership for Economic Growth and Opportunity in Africa includes key elements essential to achieve one of our core policy goals in Africa, its successful integration into the global economy:

- support for economic reform
- enhanced U.S.- sub-Saharan Africa economic engagement
- support for Africa's full integration into the multilateral trading system
- support for sustainable development

Over the past year, the Administration has made significant progress in meeting these trade policy objectives, which are central to the President's Partnership Initiative. A comprehensive matrix of federal initiatives in each policy area is included in Appendix 3 of the report.

America's enhanced economic engagement with Africa will complement overall efforts to increase trade and investment ties with the region. A strong U.S.- Africa economic partnership will also strengthen cooperation in support of our second core policy goal in the region: to protect against transnational threats, including drug trafficking, international crime, terrorism, the spread of disease, and environmental degradation.

A. Support For Economic Reform

1. Trade and Investment Liberalization

Open and competitive markets under the rule of law are essential to attracting trade and investment. Establishing these conditions is the aim of many African governments today. The new and evolving U.S. Africa trade policy supports African efforts to establish a sound policy framework to support trade liberalization and invest in human capital, strengthen the rule of law and promote open markets.

More than 30 sub-Saharan African countries have instituted economic reforms. These include liberalizing trade and investment regimes, rationalizing tariffs and exchange rates, ending subsidies, and reducing barriers to private sector development and stock market development. In many countries, these reforms were congruent with political liberalization and reform; more than 20 sub-Saharan African countries have held free and fair elections.

Economic reform is a proven route to stability and growth. And, stable growing African nations will become better markets for American exports. The reform path is arduous, yet promising. It requires governments to challenge entrenched interests and bureaucracies. In FY98, the Administration used a variety of policy tools and initiatives to encourage and support economic reform in sub-Saharan Africa.

Bilateral Agreements

In 1998, the Administration enhanced its efforts to negotiate trade agreements with sub-Saharan African countries as tools, not only to increase U.S. trade and investment flows with the region, but also to promote economic reform. In 1998, a Bilateral Tax Treaty with South Africa took effect. In December of 1998, the Administration also signed a Bilateral Investment Treaty (BIT) with the Government of Mozambique. BITs are market-opening agreements that protect U.S. investment abroad, and ensure a predictable environment for investment guided by market forces. In addition, by year end, the Administration was close to finalizing negotiation of Trade and Investment Framework Agreements (TIFAs) with South Africa, Ghana, and the West African Economic and Monetary Union (WAEMU). TIFAs provide a framework for identifying and working to remove impediments to trade and investment.

Debt Relief

For many of the poorest African countries, even with good policy performance, heavy debt burdens impede growth and sustainable development. Major unresolved debt problems among heavily indebted poor countries can have a chilling effect on new financial flows as lenders and investors shy away from a perceived high-risk environment. Debt reduction can free resources for investments in people, help attract new investment capital, and remove major obstacles to growth and development. However, it is essential that debt reduction be accompanied by economic reform. That is why the Administration has supported multilateral debt reduction by bilateral creditors in the Paris Club and, more recently, by all official creditors under the Heavily Indebted Poor Countries (HIPC) debt initiative. In FY97-98, the United States joined other creditors under the HIPC initiative to provide commitments of over $5 billion in debt service relief for Uganda, Burkina Faso, Côte d'Ivoire, Mozambique, and Mali. In April 1998, Uganda qualified for final HIPC relief, reducing its debt to a sustainable level.

President Clinton also supports bilateral concessional debt relief for the poorest African countries that are aggressively reforming their economies. For these countries, the need for budget and balance-of-payments support as well as debt relief is often acute. This financial support is particularly critical as these countries pursue trade liberalization while simultaneously investing in health, education, and infrastructure development. President Clinton supports total forgiveness of remaining U.S. concessional debt owed by eligible, strongly reforming African countries. In FY99, this initiative will be financed out of the $33 million appropriated for debt relief activities in the President's budget.

Technical Assistance

In fiscal year 1998, The United States Agency for International Development (USAID) committed a greater proportion of its resources to promoting economic reform in sub-Saharan Africa. Notably, USAID initiated its Africa Trade and Investment Policy (ATRIP) program, which provides training and technical support for reforming African countries. ATRIP works to assist African nations in developing institutional knowledge of and support for global market integration. The program helps

African governments to improve the legal and regulatory framework affecting trade and investment activities in the areas of contract law, trade regulations, and taxation.

Through USAID, the Administration is providing resources to support economic reform in Africa: 1) up to $25 million annually to support private sector and trade related activities in Southern Africa; 2) up to $1 million annually to foster relationships between U.S. and African firms through business associations and networks; and 3) up to $5 million annually to fund short-term technical assistance programs to assist African governments to liberalize trade regimes and promote exports. The Administration has also been a leading advocate for multilateral financial assistance targeted at growth-oriented African countries.

Several other U.S. Government agencies are also providing assistance to African countries in support of economic reform. For example, a resident advisor from the Department of the Treasury is providing technical assistance to the South African Government on intra-governmental budgeting issues. In early 1999, Treasury will provide technical assistance to South Africa to develop a tax policy function in the Ministry of Finance. The Department of Commerce held a commercial law seminar in December 1998 in Côte d'Ivoire to train African legislators, regulators, lawyers and judges in methodologies to improve legal and regulatory regimes. The U.S. is also supporting democracy and good governance programs in Africa to strengthen judicial systems and increase transparency in government operations. Specifically, the U.S. has supported electoral processes, the rule of law, and civil society projects.

Agricultural Reform Support

USAID intends to administer up to $15 million annually for agricultural market development and liberalization in sub-Saharan Africa. USAID's Africa Food Security Initiative supports agricultural market liberalization, export development, and agribusiness investments in the processing and transport of agricultural commodities. The U.S. is continuing to support the Famine Early Warning Systems (FEWS) in the region.

The U.S. Department of Agriculture (USDA) is focusing a greater share of its commodity assistance and other aid programs on reforming African countries. The Administration is placing more emphasis on agricultural policy reform and growth because of their significance in the economies of sub-Saharan Africa. The Administration has taken steps to channel PL480 Title I assistance to reforming African countries experiencing budget shortfalls. The PL480 program leads to more effective spending on human resource development. USDA's Food for Progress Program has been expanded to include Benin, Equatorial Guinea, Angola, South Africa, Tanzania, Kenya, Togo, Zimbabwe, Eritrea, and Côte d'Ivoire. USDA and USAID are also working with the Greater Horn of Africa countries to develop a long-range strategy to address structural food deficit problems in the region. U.S. Government (USG) agencies are supporting a broad range of agricultural training and cooperative extension programs.

Support for Microenterprises and Non-Traditional Sectors

Recognizing the importance of the informal sector and microenterprises to the region's growth and development, the Administration has committed additional resources to microenterprise development. For example, the African Development Foundation (ADF) has funded almost 200 micro-enterprise projects in 14 sub-Saharan African countries. In Ghana, USAID's work in assisting microenterprises engaged in agribusiness and handicraft production generated over $2 million in revenues for small scale producers in 1997. This represents a 200 percent increase over 1996. USG assistance has also played a major role in the growth of non-traditional products for export. U.S. support for trade liberalization in Ghana helped to boost non-traditional exports from $227 million in 1996 to $300 million in 1997, a 32 percent increase. And USG technical support has helped to develop Ghana's tourism sector. In 1997, foreign exchange from tourism increased to $290 million, up from $248 million in 1996. With technical support from USAID, Malawi's cut flower industry, non-existent five years ago, grew to some 20 firms and earned $14 million in foreign exchange in 1997. USAID's technical assistance to the Government of Zambia helped to reduce the State's intervention in the production and marketing of non-traditional exports. This resulted in an increase of non-traditional exports to $300 million in 1997, up from less than $30 million in 1991.

Reinforcement for USG Policy Initiatives

The U.S. Information Agency (USIA), working closely with African governments and Non-Governmental Organization (NGO) leadership, has established programs designed to foster economic reform and good governance by making available information and advice on the rule of law, a free market economy, an independent judiciary, an open and fair electoral system, and a free and independent media. Over the last year, USIA has arranged for visiting American officials and delegations, trade delegations, and expert speakers and consultants to explain USG trade and free market policies and practices. These speakers have focused on the importance of continued economic reform in Africa, addressing issues ranging from privatization to the importance of fostering strong anti-corruption policies.

2. Regional Economic Integration

Support for African regional integration efforts is a cornerstone of the Administration's efforts to promote economic reform and growth in sub-Saharan Africa. Regional economic integration can serve as a catalyst for liberalization and economic growth. By creating larger harmonized markets, integration enhances competitiveness and efficiency, thereby helping to spur investment. Sub-regional trade and economic integration confront many obstacles in the region. Ambitious goals have been hampered by political and economic instability. It is unlikely that most proposed target dates for free trade agreements and economic and monetary unions will be met. Common problems include delays in ratifying treaty protocols by member governments and shortages of operating funds. A notable exception is the West African Economic and Monetary Union (WAEMU), whose members already share a single central bank and a common currency, and who are on schedule to establish a customs union by January 1, 2000. WAEMU has also established a regional stock exchange, renovated its bank regulatory regime, and is working to achieve convergence of members' macroeconomic policies.

Generalized System of Preferences (GSP) Cumulation Benefits

In June 1998, the U.S. Trade Representative announced that eligible members of the West African Economic and Monetary Union (WAEMU), the Southern African Development Community (SADC), and the Tripartite Commission for East African Cooperation (EAC) could combine their value-added contributions to products exported to the U.S. in order to meet GSP rule-of-origin requirements. In order for a product to qualify for duty-free entry into the U.S. under the GSP program, at least 35 percent of its value must derive from the country of origin. Allowing eligible countries to pool their contributions in meeting the 35-percent minimum will encourage eligible members of qualifying regional economic organizations to use inputs from their neighbors, thereby promoting intra-regional trade and investment. To be eligible, SADC and EAC members must first ratify their organization's respective trade protocol. Currently four SADC countries, Tanzania, Mauritius, Botswana, and Zimbabwe, have ratified the protocol and are therefore eligible to receive the cumulation benefit. EAC countries will be eligible to receive the benefit upon ratification of the EAC trade protocol. All eight of the WAEMU countries are already eligible for the new GSP cumulation benefit.

Regional Trade and Investment Framework Agreements (TIFAs)

In order to promote economic integration and the removal of impediments to trade and investment, the Office of the U.S. Trade Representative has, for the first time, embarked on negotiations of Trade and Investment Framework Agreements (TIFAs) with several African regional organizations, including WAEMU and SADC. The Administration has used regional TIFAs in other parts of the world as tools to institutionalize dialogue with regional leaders on trade and investment liberalization, regulatory and judicial reforms, intellectual property rights protection, and other measures to enhance trade. TIFAs establish Councils on Trade and Investment, chaired by the United States Trade Representative and the Economic and Trade Ministers from the respective member countries. USTR anticipates concluding TIFA negotiations with SADC and WAEMU in FY99.

Support for Harmonized Trade Policies and Cross Border Trade

USAID, through its three African regional offices, the Sahel Regional Program (SRP), the Regional Center for Southern Africa (RCSA), and the Regional Economic Development Services Office for East and Southern Africa (REDSO/ESA), has implemented a number of activities to reduce the constraints to cross-border trade.

In East and Southern Africa, USAID's economic growth programs have helped African decision-makers better understand the need for liberalized and harmonized trade policies as well as the importance of investor-friendly trade policies. USAID is promoting liberalized and harmonized trade in Eastern and Southern Africa through support for the Regional Trade and Analytical Agenda (RTAA). The RTAA emphasizes the use of analysis to influence policy reforms designed to increase cross-border trade, reduce transportation costs, and focus on comparative advantage. Stakeholders in the region have formed committees to act on recommended reforms and prepare an agenda for follow-up analyses.

USAID is also supporting the work of regional transportation committees. These committees are currently working on a wide range of programs such as standardizing transit goods documentation, enforcing axle load limits, eliminating road blocks, and upgrading railway capacity in the region. In 1997, USAID supported 15 meetings and workshops in support of regional reform agendas and policy analyses to harmonize transit infrastructures and tariff rates. The Common Market for Eastern and Southern Africa (COMESA), the EAC, SADC, and the East and Southern African Business Organization (ESABO) have participated in these meetings and workshops.

In 1998, USAID supported four studies on informal cross border trade, covering Kenya, Uganda, Malawi, Mozambique, and Tanzania. USAID also supported comparative advantage studies, which were completed for seven countries (Malawi, Mozambique, South Africa, Swaziland, Tanzania, Zambia, and

Zimbabwe). A regional database has been compiled on CD-ROM from the comparative advantage studies and is being utilized by the SADC Secretariat in support of regional integration efforts.

In follow-up to Treasury Secretary Rubin's trip to Africa in July 1998, Treasury Department is encouraging the West African Economic and Monetary Union and the Tripartite Commission on East African Cooperation (EAC) to host regional conferences on fighting money laundering in conjunction with the Organization for Economic Cooperation and Development's (OECD) Financial Action Task Force (FATF). Several Treasury bureaus have participated in Regional Workshops on Money Laundering hosted by the West African Institute for Financial and Economic Management (WAIFEM).

The U.S. Department of Transportation is executing a number of bilateral transportation initiatives that will facilitate regional integration. These policy developments are outlined in the infrastructure development section of this report.

3. Labor Standards

As a part of its labor market technical assistance program to support the President's Initiative, the U.S. Department of Labor (USDOL) has provided advice and technical assistance to labor ministries in sub-Saharan Africa and has initiated work in the region in support of core labor standards and to combat child labor. In December 1998, DOL filled the position of Associate Deputy Undersecretary for International Affairs to provide greater support for the Administration's economic policies and labor goals globally and in Africa.

Support for Core Labor Standards

To meet the challenges associated with transitioning economies, African countries must enhance their adherence to core labor standards in order to sustain economic growth. For countries making serious commitments on core labor standards, implementation of worker rights can only be guaranteed by modern labor ministries with strong and effective response capabilities. Core labor standards and economic growth are mutually reinforcing and are critical to the development of democratic institutions.

Support to Labor Ministries

USDOL provides technical assistance worldwide on labor market reform and development, with funding from international aid agencies such as USAID, the World Bank, and other multilateral development banks. In Africa, USDOL is receiving funding from USAID for a four-year program of technical assistance with the South African Department of Labor (SADOL). USDOL is providing training and consultation to SADOL staff working in the areas of employment equity, occupational safety and health, labor market statistics and labor market research. The program's goals are to equip SADOL staff with the skills and materials needed to implement South Africa's new Equity Law, occupational safety and health standards, statistical processes, and fundamental research to respond quickly and effectively to an evolving labor market.

Support for the Elimination of Child Labor

In accordance with the Department of Labor's overall objective of promoting adherence to core labor standards around the world, the International Child Labor Program focuses on supporting policies and programs that target the elimination of child labor. This is accomplished through reporting on financial support of targeted child labor projects coordinated by the ILO's International Program on the Elimination of Child Labor (IPEC).

Over the last two years, the U.S. Department of Labor's International Child Labor Program has reported on child labor in a number of African countries. These reports cover child labor in the agriculture, manufacturing, mining, and services sectors in Benin, Côte d'Ivoire, Ghana, Kenya, Lesotho, Madagascar, Mozambique, South Africa, Sudan, Tanzania, Uganda, and Zimbabwe. In 1998, the Department provided a grant to assist South Africa in conducting its first national child labor survey. USDOL also supported awareness-raising activities in Africa through the Global March Against Child Labor.

B. Enhanced U.S. - Sub-Saharan African Economic Engagement

> *"... I came here to say simply this: Let us work with each other, let us learn from each other, to turn the hope we now share into a history that all of us can be proud of."*
> *Remarks by President Clinton in South Africa, March 26, 1998*

Strengthening America's economic engagement with the reforming countries of sub-Saharan Africa remains a key component of the President's Partnership Initiative. In 1998, the Clinton Administration significantly enhanced economic dialogue and developed multifaceted initiatives to expand U.S. trade and investment ties with the region. Symbolically and substantively, President and Mrs. Clinton's historic trip to the continent in March 1998 transformed U.S. relations with Africa. The visit highlighted the region's progress and opportunities for America. It raised the visibility of Africa in the United States. The visit also demonstrated U.S. support for the economic transformation underway in the region.

The Administration has implemented several substantive initiatives to promote trade and investment since the President's trip. Treasury Secretary Rubin, Commerce Secretary Daley, Transportation Secretary Slater, Deputy Commerce Secretary Mallet, the President of the Trade Development Agency, the Chairman and Vice Chair of the Export-Import Bank, and other senior Administration officials have visited the region to further initiatives developed during the President's visit. Notably, the Administration has increased U.S. trade and investment missions to Africa and encouraged reverse trade missions from Africa to the U.S.

At the August 1998 meeting of the U.S.-South Africa Binational Commission (BNC), Vice President Gore and Deputy President Mbeki agreed to begin negotiations toward a U.S.-South Africa Trade and Investment Framework Agreement (TIFA). The BNC, established in 1995 and chaired by Vice President Gore and South African Deputy President Mbeki, consists of representatives from the public and private sectors of the United States and South Africa. Commission members meet approximately every six months to engage in discussions to build our economic and political relationship with South Africa.

In the first quarter of 1999, the United States will host a ministerial level conference with broad participation by sub-Saharan countries. The conference will mark another milestone in the evolution of the U.S. partnership with Africa. It will institutionalize an economic dialogue between African trade and finance ministers and their U.S. counterparts. The conference agenda will include such topics as strategies to increase U.S. trade and investment ties with the region and to promote Africa's full integration into the global economy, and mechanisms to strengthen U.S. and global support for reforming African economies. This economic conference will be followed by the U.S.-Africa Economic Cooperation Forum that will be launched in 1999.

The Administration's 1998 agenda to increase trade and investment flows with the region includes an enhanced Generalized System of Preferences Program; the establishment of an Assistant U.S. Trade Representative position for Africa; an aggressive trade promotion strategy led by the Department of Commerce; expanded programs in Africa by the U.S. Export-Import Bank, the Overseas Private Investment Corporation and the U.S. Trade Development Agency; and technical support provided by the U.S. Agency for International Development. The Administration has also worked closely with a number of U.S. private sector organizations, including the U.S.- South Africa Business Development Committee and the Corporate Council on Africa, to facilitate U.S.-Africa trade and investment. A series of U.S. programs and initiatives support expanded economic ties with Africa.

1. Office of the United States Trade Representative

In February 1998, U.S. Trade Representative Charlene Barshefsky established the position of Assistant U.S. Trade Representative for Africa. With the creation of the Office of African Affairs in USTR, the Administration made clear its recognition of Africa as an important trading partner and placed our Africa trade policy on a par with our policies toward other regions of the world.

USTR is also working to expand trade and investment ties with sub-Saharan African countries by negotiating Trade and Investment Framework Agreements (TIFAs) on a bilateral as well as regional basis. TIFAs establish the terms of reference for a structured dialogue on trade, intellectual property, and investment issues. A TIFA creates a Council on Trade and Investment, which provides a forum for discussion of specific trade and investment matters and negotiation of agreements. The Council also identifies and works to remove or reduce barriers to trade and investment. Currently, USTR is engaged in bilateral TIFA negotiations with the Governments of Ghana and South Africa. USTR is also negotiating a regional TIFA with the West African Economic and Monetary Union (WAEMU), comprised of Burkina Faso, Benin,

Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo. Once concluded, these will be the first TIFAs ever signed with any sub-Saharan country or regional organization.

In addition, USTR is looking to expand the number of Bilateral Investment Treaties (BITs) with countries in the region. BITs are market-opening agreements that protect U.S. investment abroad and ensure a predictable environment for investment guided by market forces. BITs help to foster trade and investment by guaranteeing the best possible treatment for U.S. and BIT partner investors, the free transfer of funds, the option of international arbitration, flexibility in hiring, and the establishment of clear limits on expropriation and trade- and investment-distorting performance requirements by governments. In December 1998, the Administration signed a BIT with the Government of Mozambique. This BIT is the fifth signed with a sub-Saharan African country, and represents a significant step forward in building a solid foundation for trade and investment relations between the United States and Mozambique. The U.S. also has BITs which were negotiated some years ago with Cameroon, the Republic of The Congo, Senegal, and the Democratic Republic of The Congo.

The Generalized System of Preferences Program

U.S. Trade Representative Charlene Barshefsky announced in June 1997 the Administration's decision to enhance the Generalized System of Preferences Program (GSP) by adding 1,783 new tariff lines for least developed beneficiary developing countries (LDBDCs). Of the 38 LDBDCs worldwide, 29 are in sub-Saharan Africa. The enhanced GSP has created new trade opportunities for African countries with the United States, and will assist in sustaining the momentum behind economic reform and liberalization in Africa. Following the inclusion of these new tariff lines, the dollar value of sub-Saharan Africa's exports under the GSP program increased by nearly five-fold in the first six months of 1998 over the same period in 1997. Much of this increase is attributable to Angola, whose crude oil exports to the U.S. became eligible for GSP benefits. As a result of this change, Angola leaped ahead of South Africa to become the continent's largest GSP beneficiary in 1997.

Even before last year's expansion of GSP benefits for LDBDCs, GSP utilization by sub-Saharan Africa had been growing sharply since 1994, when South Africa first became GSP-eligible. U.S. imports from Africa under GSP rose from $588 million in 1996 to approximately $1.3 billion in 1997. Leading GSP imports from Africa in 1997 included: crude oil, ferroalloys, sugar, jewelry, vehicle parts, and tobacco. The GSP program was suspended on May 31, 1997 due to lapsed legislative authority, and was reinstated August 5, 1997. It lapsed again on July 1, 1998 and was reinstated on October 21, 1998 until June 30, 1999. In both cases, the GSP renewal provided for retroactive rebate of duties paid for all eligible imports during the period of suspension.

Despite the increase in African GSP utilization in 1997, African countries still accounted for only 6.9 percent of worldwide GSP use. Moreover, the program continued to be highly concentrated among a small number of African beneficiary countries. Four countries, Angola, South Africa, Zimbabwe, and Malawi, accounted for more than 87 percent of GSP benefits utilized by sub-Saharan Africa. Eritrea and Gabon have applied for eligibility under the program.

The Administration looks forward to further expanding the trade opportunities for reforming African countries through passage of the African Growth and Opportunity Act in the 106th Congress. By extending to reforming African countries duty-free access for certain products now statutorily excluded under GSP, and for the 1,783 tariff lines now available only for LDBDCs, the Bill will stimulate the growth of the African private sector and provide incentives for further reform. The Administration supports passage of this legislation as early as possible in 1999. Doing so will send a clear signal to African countries and to potential U.S. investors that the United States is committed to a strong economic partnership with Africa, buttressed by strong trade and investment ties.

2. Department of Commerce

Through Secretary of Commerce William Daley and Deputy Secretary Robert Mallett, the Department of Commerce continued its strong record of active economic engagement with Africa throughout 1998. Secretary Daley traveled to Africa three times this year. He accompanied President Clinton on his historic African partnership tour in March, then returned in September with a strong message of economic support in the wake of the Asian financial crisis. In December, he returned with a Business Development Mission of corporate executives representing fifteen U.S. companies committed to building a partnership with Africa. In Côte d'Ivoire, he co-chaired the Department's first joint U.S.-West African Legal Conference with the President of the African Development Bank. In all of the countries on the mission, the Secretary advanced U.S. efforts to promote transparency, accountability, an enabling business environment, and sound macroeconomic policies. The Secretary also continued to provide strong advocacy for U.S. companies at each stop on the mission.

In May 1998, Deputy Secretary Mallett visited South Africa, Namibia, and Côte d'Ivoire in conjunction with his keynote address at the World Economic Forum's Southern Africa conference in Windhoek. The Deputy Secretary was also the Department's lead spokesperson to U.S. business audiences on the opportunities offered by Africa's reforming economies.

Commerce's International Trade Administration has been active on both the policy and promotional fronts throughout the year. Creating enabling commercial environments in the region has been at the forefront of the policy agenda, with particular emphasis on intellectual property rights (IPR) concerns and the trade- and development-distorting impact of corruption. The Department's Office of Africa has conducted a series of trade briefings for visiting African ministers and other decision makers. The Foreign Commercial Service (FCS) has succeeded in expanding its South African presence beyond Johannesburg, staffing offices in both Cape Town and Durban with Commercial Officers for the first time. The Department will also increase its commercial staff in Nairobi and Abidjan. The Department continues to provide support to American firms seeking to compete for projects financed by the World Bank and the African Development Bank and Fund. Commerce has informed the U.S. business community in Europe of opportunities in African markets through African Business Outreach Conferences as part of the annual FCS Regional Conferences. Earlier this year, Commerce, in cooperation with the Corporate Council on Africa, arranged for a group of U.S. Ambassadors to Africa to visit four U.S. cities to address American businesses on commercial opportunities Africa. ITA's Advocacy Center has helped win $4.4 billion in contracts for U.S. companies in Africa since its creation in 1995. Commerce has worked with the U.S. financial services sector, particularly the insurance component, to develop a technical training program for African regulators dealing with this key support sector.

3. Department of the Treasury

In July, Secretary Rubin made an eight-day trip to Africa, becoming the first Treasury Secretary ever to travel to Africa. The Secretary undertook the trip to advance the aims of President Clinton's historic visit in March, particularly with regard to promoting economic reform, private sector investment, financial market development, regional integration, and good governance.

Recent research makes a persuasive case that foreign aid adds significantly to growth when countries follow the right policies. In a supportive policy environment, multilateral and bilateral aid can act as a catalyst for private sector development. For this reason, the Treasury Department encourages the World Bank, IMF, and African Development Bank (AfDB) to place a greater emphasis on providing assistance to those countries that are doing the most to adopt market-oriented policies. Treasury has also discussed with the World Bank ideas for developing lending programs which would more effectively create the elements of an attractive investment climate and enhance support for regional integration.

Earlier this year, Treasury supported far-reaching reforms to recapitalize and restructure the AfDB. Strong Congressional support for the replenishment for the AfDB in 1998 advanced the AfDB's reform agenda. When ratified by the members, these reforms will mark a new chapter in the history of this uniquely African institution. Current negotiations to replenish the African Development Fund will revitalize the AfDB's concessional lending arm.

As indicated elsewhere in this report, Treasury is also playing an important role in providing debt relief and technical assistance in support of economic reform.

4. Export-Import Bank

Under the President's Partnership Initiative, the Export-Import Bank (EXIM) increased its efforts to provide a level playing field for U.S. exporters to Africa. In FY98, EXIM authorized $49 million in medium and long-term financing to support U.S. exports to sub-Saharan Africa. EXIM is already using its innovative project finance program to help support over $200 million in exports of U.S. oil well services to an offshore oil project in Angola. EXIM Chairman James A. Harmon traveled to Africa in April, visiting Namibia, South Africa, and Zimbabwe to explore ways of increasing the Bank's presence and effectiveness in the region. His trip was the first ever by a President of EXIM to Southern Africa. In November-December 1998, the Vice Chair of EXIM traveled with Secretary of Commerce William Daley to South Africa, Kenya, and Côte d'Ivoire.

At the Bank's headquarters in Washington D.C., EXIM initiated institutional reforms designed to enhance its ability to develop innovative ideas with respect to risk-taking and marketing in the region. As directed by Congress in the reauthorization of the Bank last year, EXIM established a sub-Saharan Africa Advisory Committee chaired by a former Member of Congress, the Reverend Dr. Floyd Flake of New York. The mandate of this Committee is to explore ways in which the Bank can finance increased exports to new markets in sub-Saharan African nations. The Committee met several times in 1998 and has begun to develop new ideas for expanding Bank activity in 1999. EXIM also appointed a senior loan officer as Counselor/Coordinator for Africa to direct the marketing of financing programs in the region.

In September 1998, EXIM expanded its ability to do business in five African countries: Cameroon, Cape Verde, Gabon, the Gambia, and Senegal. This action will provide additional export opportunities for U.S. companies in these nations and signals increased confidence in the continent.

5. Overseas Private Investment Corporation

The Overseas Private Investment Corporation (OPIC) is playing an instrumental role in promoting U.S. investment in African countries. OPIC's political risk insurance, project finance and investment funds fill a commercial void, allowing U.S. companies to compete on equal terms with their foreign competitors and supporting development in emerging economies. Currently, OPIC is providing $1 billion in insurance and financing to 50 projects in 20 sub-Saharan African countries.

Since the announcement of the President's Partnership Initiative in June 1997, OPIC has executed nine new bilateral agreements with Botswana, Côte d'Ivoire, Equatorial Guinea, Madagascar, Mauritius, São Tomé and Principe, Tanzania, Uganda, and Kenya. These new bilateral agreements provide a framework for operating OPIC programs in these countries and will enable OPIC to be more responsive to American companies looking to invest in the region. The bilateral agreement with Botswana has already led to an OPIC - U.S. private sector partnership in which OPIC committed $4 million to help expand the Game Viewers eco-tourism project in northern Botswana. The project is developing the country's tourism sector and provides local employment and training.

Through its investment funds, OPIC is also helping to expand U.S. investment in Africa's infrastructure. In March 1998, during President Clinton's Mission to Africa, OPIC announced a call for proposals to support one or more private equity funds with aggregate capital of up to $500 million to be invested in privately sponsored infrastructure projects in countries of sub-Saharan Africa. This new initiative follows on the heels of the launching of two additional funds targeting projects in Africa. In late 1997, OPIC launched the $150 million Modern Africa Growth and Investment Fund as part of the President's Partnership and in response to Congressional initiatives. This fund is currently capitalized at $90 million; the final date for full capitalization is March 1999. Another $120 million New Africa Opportunity Fund, launched in 1996, is now fully capitalized and investing in Southern Africa.

6. United States Agency for International Development

The United States Agency for International Development (USAID) provides support for the development of financial intermediaries that can channel savings to potential investors and for capital markets to attract foreign investment. Examples of USAID support include strengthening of stock markets in Kenya and Uganda, provision of technical assistance to the Central Bank of Zambia and the Southern Africa Enterprise Development Fund (SAEDF), and establishment of venture capital funds in Tanzania, Uganda, Zimbabwe, and Ghana. By the end of 1998, the SAEDF, designed to encourage the creation and expansion of indigenous small and medium-sized enterprises, had approved $25 million for disbursement to 20 enterprises in 8 countries.

7. Trade and Development Agency

The Trade and Development Agency (TDA) is also working to enhance U.S. investment in Africa. In an effort to overcome the low level of penetration achieved by American firms in the African market, TDA provides support for project development in the form of feasibility studies and orientation visits (reverse trade missions). Funding for TDA programs in sub-Saharan Africa reached $3.9 million in FY98. In that year, TDA funded 12 feasibility studies in six countries, 8 orientation visits including buyers from over 22 countries, and 9 technical assistance grants in four countries.

In an effort to develop a more robust program in Africa, TDA sent its Country Manager for the region to Johannesburg, South Africa, for a three month period in 1998 to expand the Agency's business development program. This assignment included travel throughout the Southern African region, and included outreach efforts on behalf of OPIC and EXIM Bank.

TDA has been especially active in promoting aviation initiatives in sub-Saharan Africa. In 1998, TDA invested more that $1.3 million in sub-Saharan Africa in aviation projects which will help U.S. firms access more than $500 million in export opportunities. In June 1998, TDA and SADC signed a $327,000 grant for a feasibility study of satellite-based systems (SBAS) for future air traffic control technologies and systems. The study will also determine the requirements for Local Area Augmentation Systems (LAAS) to improve precision approach and landing capabilities at airports. In addition, TDA administered a $64,000 study grant to Air Namibia to hire the SABRE Group of Fort Worth, Texas, to conduct a review of ongoing operations, projected demand changes, and preparation of a strategic and procurement-specific plan for growth of the airline as well as a $100,000 technical assistance grant to

Ethiopian Airlines to help the carrier cover the costs of certifying flight simulators used for training pilots.

C. Support for Africa's Full Integration Into the Multilateral Trading System

The Administration strongly supports African efforts to become full participants in the multilateral trading system. Thirty-eight African nations are now World Trade Organization (WTO) members. Market liberalization and the rule of law are basic hallmarks of the Uruguay Round agreements, the mechanisms under which more than 90 percent of all global trade is transacted. WTO membership is critical for countries to expand exports, attract investment and raise growth rates. But membership also allows African countries to participate in decisions about the system's future developments. African contributions to the WTO's agenda are crucial, since the organization will soon begin a new work program which holds immense promise for Africa.

For example, agricultural reforms that began in earnest as a result of the Uruguay Round will continue and lead to increased benefits for least developed countries, which need critical food supplies, and offer the opportunity to compete in a less trade-distortive environment. More open markets in services will allow African countries to rapidly acquire the legal, financial and telecommunications infrastructure that will promote swift and stable development in the next century. Intellectual property protection is critical to attract and sustain private investment in the region and to protect Africa's cultural industries. The free development of global electronic commerce should prove particularly helpful to poorer African nations, because Internet access requires little capital, facilitates quick access to customers and suppliers, and eases customs procedures and other paperwork.

Sub-Saharan Africa's full integration in the WTO should help to address the continued decline of the region's share of global trade. African economies' share of world trade has declined steadily from about 3 percent in 1955 to less than 2 percent today. The significant expansion in world trade during this period partially explains the percentage decline in Africa's share of global trade. However, the region's lack of competitiveness and reliance on primary commodity exports have also contributed to this relative decline. Full integration in the WTO should bolster African countries' efforts to both expand and diversify trade. During the Uruguay Round, many African countries bound only a limited percentage of their goods' tariffs, and did so at high levels with relatively long phase-in periods. By raising the prices of imported inputs, high tariffs help to prop up inefficient domestic firms and retard economic development.

We remain hopeful that prospects for further African participation in several important liberalization initiatives undertaken since the Uruguay Round will improve. To date, no sub-Saharan African country has joined the WTO Information Technology Agreement. Only six have joined the Financial Services Agreement and the Global Telecommunications Agreement. Thus, Africa could enter the 21st century with less access to information technologies; less efficient phone and computer lines; less developed banking systems; and, consequently, diminished prospects for trade and development. Africa's integration into the WTO and the concomitant transfer of technology and capital will help improve these prospects.

In addition to bilateral trade initiatives to promote U.S.-Africa trade and sustainable development in the region, the Administration is promoting economic reforms and growth in the region through support for

Africa's enhanced participation in the WTO. We are engaging in high level dialogue on WTO issues with African leaders and are assisting African countries to build WTO capacity through technical assistance.

1. WTO: Enhanced Engagement

In 1998, the Office of the U.S. Trade Representative increased its level of engagement with African nations in an effort to encourage their full participation in the WTO. United States Trade Representative Charlene Barshefsky hosted a meeting with the African Ambassadors to the U.S. to discuss the benefits of WTO trade liberalization for African countries and to address African concerns about the impact of WTO agreements on their economies.

In April 1998, the Assistant U.S. Trade Representative for African Affairs (AUSTR) addressed the Organization of African Unity's (OAU)/African Economic Community's Ministerial Conference on the WTO in Zimbabwe. The AUSTR also held bilateral meetings on the margins of this conference to discuss specific areas of mutual interest and mechanisms to encourage increased African participation in the WTO. During the meetings, African trade ministers generally expressed African support for fuller participation in the WTO and cited the need for technical assistance to develop greater WTO capacity.

USTR also participated in the WTO Trade Policy Review Mechanisms (TPRM) for eight African countries in 1998, including the members of the Southern African Customs Union (South Africa, Swaziland, Namibia, Lesotho, and Botswana), as well as Burkina Faso, Mali and Nigeria. The TPRM provides a peer review process whereby countries' overall trade regimes are evaluated relative to the objectives of the WTO. The United States actively participates in the TPRM process and continues to consult bilaterally with African countries on the importance of WTO obligations.

Following USTR's work with Uganda and Ghana on WTO issues this year, Ghana ratified the Global Telecom Agreement and Uganda assumed additional commitments under the Agreement. The Councils on Trade and Investment that will be established between the U.S. and selected African countries upon execution of Trade and Investment Framework Agreements (TIFAs) will also focus on WTO-related issues.

The Department of Commerce's National Telecommunications and Information Network (NTIA) has also exercised a leading role --working with USTR, the Federal Communications Commission, the Justice Department, the Department of State and USAID -- in establishing a technical assistance program to help countries with compliance with the new WTO Basic Telecommunications Agreement.

As host of the next WTO Ministerial scheduled for 1999, the United States has invited full participation from African countries.

2. Technical Assistance

USTR has held extensive consultations with African countries regarding the opportunity that greater participation in the WTO offers as they chart their economic reform programs. Full integration into the multilateral trading system, however, requires the ability to respond positively to the obligations of the system. In the near term, sub-Saharan Africa faces an immense challenge to develop the financial and institutional capacity to fully implement WTO obligations. As a result of President Clinton's historic trip to Africa, USAID and USTR are developing a series of technical assistance workshops that will be held in 1998 and 1999 in Africa. This series of regional and national workshops is structured to help African countries better understand the WTO and the potential benefits that will result from additional commitments. The workshops will help to establish a core of WTO expertise in Africa. The workshops, designed for African public and private sector officials, will include topics such as the WTO framework, dispute settlement, market access, and WTO agreements, including special initiatives for least-developed countries.

The U.S. Department of Agriculture has undertaken similar efforts. In 1998, USDA conducted meetings with eight sub-Saharan African countries to work on WTO-related issues pending before the *Codex Alimentarius*, an international standards board for food and agriculture.

In 1999, the Administration hopes to make greater use of the Internet as part of our efforts to assist African countries. In a project funded by USAID and managed by USTR and the Department of State, the Administration will establish an Internet site designed to provide information on international trade issues of interest to African countries, including on specific programs such as the U.S. Generalized System of Preferences program.

D. Support for Sustainable Development

Development Assistance is needed to maximize the benefits resulting from economic reform. Only healthy, literate and informed populations will be able to take advantage of the opportunities offered by increased trade and investment. At the same time, a growing body of research shows that aid requires an appropriate policy environment to be effective. The Administration's commitment to sustainable development in Africa includes support for health, education, human capacity building, debt relief, infrastructure development, and the environment. Better health care and education contribute to stability, better political and economic climates and to a more productive work force. Environmentally sound policies help to sustain growth.

1. Development Assistance

Aid cannot replace trade and investment as the engine for economic growth, particularly as development assistance levels are declining worldwide. Development assistance needs in Africa remain enormous. Africa faces the greatest challenges of any region in the world. A quarter of all African children will die before their fifth birthday from disease and malnutrition; only a small portion of adults are literate and fewer than 20 percent of young people attend high school; HIV/AIDS infection rates are the highest in the world; drought and famine are common; and the potential for political instability is high. That is why the President supports restoring U.S. development aid to Africa to its historically high level and why the Administration's development assistance programs reflect the priorities of health, education, human resource development, and the environment. Addressing these needs also complements economic reform efforts on the continent.

The Administration's development assistance programs for African countries are administered through the U.S. Agency for International Development. USAID's approach is based on: promoting broad-based economic growth with equity through support for smallholder agriculture and small enterprises, complementary human development investments in education, improving health care, protecting the environment, and strengthening democracy. In addition, emergency relief is structured to help nations make the transition to sustainable development.

To promote economic growth, USAID is investing in African-led efforts to increase jobs and rural wages. Examples of such activities include microenterprise development in Uganda, expanding producer business associations in West and Southern Africa, rehabilitation of rural roads in Mozambique, and support for expansion of non-traditional exports in Ghana.

The Administration is also committed to ensuring a secure food supply for African countries. To this end, USAID launched the Africa Food Security Initiative (AFSI) in FY98. AFSI is a pilot program which aims to increase rural incomes and reduce malnutrition by increasing agricultural production, improving market efficiency and access, and expanding agricultural trade and investment. AFSI represents a ten-year commitment to the agriculture sector as a critical component for increasing economic growth, reducing poverty, and improving nutrition in Africa. Uganda, Mali, Malawi, Mozambique, and Ethiopia are the current participants.

In 1998, an estimated 2 million Africans will die from HIV/AIDS. An increase in deaths among young African adults will have substantial adverse effects on economic, political and military stability. Gains in African economic development are being threatened as AIDS deaths reverse increases in average life spans, leading to a drop in life expectancy of up to 20 years. USAID continues to support HIV/AIDS programs in 38 African countries.

U.S. support for education in Africa is outlined in the appendix of this report (see matrix). The Administration strongly supports literacy and other educational programs throughout Africa. During his trip, the President announced a new $120 million Education or Development and Democracy Initiative. Supported by USAID, the Department of State, Peace Corps, USIA and three other U.S. agencies, the Initiative aims to improve the quality of and technology for education in Africa through support for girls' education, the establishment of community-based resources centers, and building partnerships. This effort builds on existing USAID programs, notably the Center for Human Capacity Development that builds human resources through education and training. The African Training for Leadership and Advanced Skills (ATLAS) project is an example of the Center's success in Africa.

2. Infrastructure Development

Infrastructure development is essential to Africa's efforts to sustain growth. Several U.S. Government agencies are supporting this effort. The Department of Transportation (DOT), for example, is facilitating the development of a transportation infrastructure in Africa. Through the Safe Skies for Africa Initiative, administered in partnership with the State Department and the Department of Defense, DOT is promoting improvements in aviation safety and security in Africa. The goals of the initiative are threefold. It is designed to: (1) increase the number of sub-Saharan African countries that meet International Civil Aviation Organization (ICAO) safety standards from the current three to eleven; (2) improve safety and security at airports in the region within three years; and (3) improve regional air navigation services. In November 1998, Secretary Slater announced the first 8 participants in the Safe Skies Initiative: Angola, Cape Verde, Cameroon, Côte d'Ivoire, Mali, Tanzania, Zimbabwe, and Kenya.

In addition, DOT's Federal Highway Administration (FHWA) has established technology transfer centers in South Africa and Tanzania. These centers help local officials select appropriate road-building technologies, train specialists and develop private sector linkages between the U.S. and South Africa. FHWA has also developed a program in the South African school system to train students in engineering and other skills necessary to manage a developing infrastructure. During the President's trip to Africa in March, Secretary Slater signed a $67 million MARAD loan guarantee for the purchase of two barge mounted power plants to be constructed in the United States and delivered to Ghana. The power plants will assist Ghana in meeting its energy needs. DOT, together with the U.S. Coast Guard and the Federal Aviation Administration, is offering technical training programs for South African maritime and aviation officials.

The Administration also continues to support the Leland Initiative, named after the late Congressman Mickey Leland. This $15 million initiative aims to extend full Internet connectivity to 20 or more African countries over a five year period.

The Overseas Private Investment Corporation (OPIC), is playing a key role in facilitating infrastructure investment in Africa. In March 1988, during his trip to Africa, the President announced the creation of one or more OPIC funds with aggregate capital of up to $500 million to be invested in privately sponsored infrastructure projects in countries of sub-Saharan Africa.

The Department of Commerce's diverse agencies are also stepping up their efforts to promote infrastructure development in Africa. Secretary Daley signed a Memorandum of Understanding on behalf of the National Institutes of Standards and Technology (NIST) with the Kenyan Government during his recent Africa trade mission. The long awaited Manufacturing Technology Cooperation venture with South Africa's Center for Industrial and Scientific Research is now being implemented. NIST hopes to expand its Foreign Guest Research Program to include more scientists from Africa.

The National Oceanographic and Atmospheric Administration (NOAA) remains engaged in a variety of weather, water, commercial fisheries, and GLOBE Internet programs across the continent. The programs are aimed at providing African governments with better climate data, enhanced weather predictive capability, more effective management of fishery resources, and the benefits of environmental satellite imaging technologies. These efforts included extensive forecasting of El Nino's affect on Southern Africa, enabling advanced water management planning.

The Department of Commerce's National Telecommunications and Information Administration (NTIA) has provided technical assistance to a number of African countries to help bring about compliance with the WTO TELCOM implementation. NTIA played an active role in the May 1998 Africa TELCOM 98 Forum in South Africa. NTIA personnel have participated in USAID regional telecommunication integration projects in Africa and assisted Zambia as it works to privatize its telecommunications parastatal.

The Administration has also been a strong advocate for infrastructure and other support for Africa by the Multilateral Development Banks. Congress has approved the Administration's request for

$860 million in funding for the International Development Association (IDA). Almost half of IDA funding, which is aimed at the world's poorest countries, is expected to go to African nations in 1999. In the African Development Bank (AfDB), the United States supported a 35 percent increase in the Bank's capital base, to a total of $30 billion. And for the AfDB's African Development Fund, targeted at the poorest African countries, Congress approved the Administration's request for a budget allocation of $128 million as the potential U.S. contribution to the seventh replenishment of the Fund.

3. Support for the Environment

Sustainable development requires strong attention to environmental protection. Africa faces the special challenge of finding ways to achieve sustainable economic development while at the same time preserving the continent's unique environmental diversity for future generations. The potential adverse consequences of global climate change, biodiversity loss, and natural resource depletion in sub-Saharan Africa are especially serious due to its heavy dependence on resource-based development. The Administration, therefore, seeks to promote environmental initiatives in Africa that are consistent with sustainable development. The Administration is currently pursuing a vigorous agenda in support of the environment in Africa (see matrix).

The Environmental Protection Agency operates several programs in South Africa under the auspices of the U.S.-South Africa Binational Commission (BNC). EPA is currently involved in a variety of cooperative programs in South Africa aimed at developing provincial environmental capacity, launching

community-based solid waste management programs in target townships, supporting community-based environmental organizations, increasing access to environmental information, and reducing pollution.

USAID has also placed a high priority on environmental projects in Africa. The agency supports Madagascar's Environmental Action Plan, which is designed to save a large land area by conserving biodiversity, improving forest and park management, and increasing economic opportunity for people near conservation areas. Additionally, USAID is funding community-based natural resource conservation activities in Zimbabwe, Zambia, and the Congo River Basin, as well as programs that train energy professionals and combat erosion throughout the continent.

IV. Conclusion: Looking Forward

Much work remains in 1999 and in the years to come to advance America's economic partnership with sub-Saharan Africa. The Administration, however, is optimistic about prospects for the future. Since President Clinton took office, we have seen reform move ahead in Africa. U.S. engagement with the continent has increased to levels unparalleled in history. The region is increasingly becoming integrated into the global economy. Expanded trade and investment are not only desirable in their own right, but create a more dynamic environment that should help increase the capacity of African governments to commit more resources to human development, infrastructure and the environment. These developments offer the United States a remarkable opportunity to usher in a new era of economic cooperation with Africa based on common values, interests, and goals.

In addition to supporting economic growth in Africa, a vigorous U.S. trade policy toward the region ensures that the United States does not cede one of the world's great emerging markets to others. African countries intend to make considerable capital investments in areas from telecommunications to aircraft information technologies. Despite the fact that the United States is the world's largest exporter, U.S. share of the African market is less than 8 percent. European exporters have the benefit of strong historical ties to Africa, which may be strengthened by preferential programs and new policy efforts such as the proposed EU-South Africa Free Trade Agreement.

President Clinton strongly supports passage of the African Growth and Opportunity Act to reinforce the new era of strengthened U.S. engagement with the region. Enactment of this legislation will help spur growth in sub-Saharan African countries embarking on the arduous, yet promising path of economic reform. This bill represents an historic opportunity to support the people of Africa, while increasing trade and investment with the region's emerging markets. The bill has raised the hopes of Africans who genuinely want and merit an equal place in our nation's trade policy agenda. Passage of this bill in Congress remains an immediate priority on the Administration's Africa trade policy agenda. President Clinton noted during his 1998 trip to Africa:

> *" America has a profound and pragmatic stake in your success -- an economic stake because we, like you, need strong partners to build prosperity; a strategic stake because of 21st century threats to our common security, from terrorism, from international crime and drug trafficking, from the proliferation of weapons of mass destruction, from the spread of deadly diseases and the degradation of our common environment."*

The Administration's trade and development policy toward sub-Saharan Africa has helped to construct a new partnership with the continent. Our trade policy has now assumed a greater sense of urgency and possibility than ever before. Enactment of the African Growth and Opportunity Act will codify and sustain America's commitment to Africa for generations to come.

APPENDIX 1

Selected Indicators
Relative Indicators of Growth
Comparison of Savings and Investment by Regions

Table 1
Selected Indicators

COUNTRY	GNP 1997 ($billion)	GNP (PPP) 1997 ($billion)	GNP (PPP) 1997 per capita (dollars)	FDI inflows 1990 ($million)	FDI inflows 1997 ($million)	Total external debt 1996 ($million)	Official development assistance 1996 ($million)	Exports of goods and services (average annual growth 1990-97) (percentage)	Trade share of GDP 1996 (percentage)	WTO member status
Angola	3.8	10.8	940		350	10,612	539	5.6	118	**Yes**
Benin	2.2	7.3	1,260	1	3	1,594	312	3.3	57	**Yes**
Botswana				95	100	613			84	**Yes**
Burkina Faso	2.6	10.8	990	0	1	1,294	429	-2.4	41	**Yes**
Burundi	1.2	3.9	590	1	1	1,127	224	-3.2	19	**Yes**
Cameroon	9.1	27.9	1,980		45		420	4.7		**Yes**
Cape Verde					13					**WPA**
Cen African Rep	1.1	5.2	1,530	1	6	928	150	0.6	41	**Yes**
Chad	1.6	7.2	1,070	0	15	997	322	3.7	72	**Yes**
Congo (DROC)	5.1	35.8	790	-12	1	12,826	188	-8.8	68	**Yes**
Congo (ROC)	1.8	3.8	1,380	0	9	5,240	477	6.3	164	**Yes**
Cote d'Ivoire	10.2	24.2	1,640	48	50	19,713	938	5	83	**Yes**
Djibouti					5					**Yes**
Eq Guinea					40					**No**
Eritrea						46			117	**No**
Ethiopia	6.5	30.7	510	12	15	10,077	870	8.6	41	**WPA**
Gabon	4.9	7.5	6,540	74	-100	4,213	112	4.7	96	**Yes**
Gambia				0	13	452			132	**Yes**
Ghana	6.6	32.3	1,790	15	120	6,202	666	7.1	65	**Yes**
Guinea-Bissau	0.3	1.2	1,070	2	2	140	164	14.9	42	**Yes**
Guinea	3.9	12.8	1,850	18	1	1,133	308	2.4	41	**Yes**
Kenya	9.3	31.2	1,110	57	40	6,893	594	4.3	70	**Yes**
Lesotho	1.4	5.1	2,480	17	29	654	106	9.9	136	**Yes**
Liberia					15					**No**
Madagascar	3.6	12.9	910	22	17	4,175	378	4	42	**Yes**
Malawi	2.3	7.2	700	0	2	2,312	500	3.3	49	**Yes**
Mali	2.7	7.6	740	-7	15	3,020	510	6.4	56	**Yes**
Mauritania	1.1	4.5	1,870	7	3	2,363	234	0.1	115	**Yes**
Mauritius	4.3	10.7	9,360	41	38	1,818	17	5.5	126	**Yes**
Mozambique	1.7	9.7	520	9	35	5,842	918	9.3	84	**Yes**
Namibia	3.6	8.8	5,440		131		238	4.4	107	**Yes**
Niger	2	8.9	920	-1	1	1,557	252	-0.8	37	**Yes**
Nigeria	30.7	103.5	880	588	1000	31,407	230	3.6	28	**Yes**
Rwanda	1.7	4.9	630	8	1	1,034	700	-15.3	28	**Yes**
Sao Tome & Principe										**No**
Senegal	4.9	14.6	1,670	57	30	3,663	612	1	67	**Yes**
Seychelles					49					**WPA**
Sierra Leone	0.9	2.4	510		4	1,167	210	-18.4	43	**Yes**
Somalia					1					**No**
South Africa	130.2	286.9	7,490		1705	23,590	380	5.2	52	**Yes**
Sudan						16,972				**WPA**
Swaziland					75					**Yes**
Tanzania	6.6			0	250	7,412	870		58	**Yes**
Togo	1.4	7.8	1,790	0	1	1,463	156	1.3	69	**Yes**
Uganda	6.6	21.3	1,050	0	250	3,674	700	16.7	34	**Yes**
Zambia	3.6	8.4	890	203	70	7,113	603	-1.9	84	**Yes**
Zimbabwe	8.6	26.2	2,280	-12	70	5,005	363	10.5	82	**Yes**

Table 2 - Selected Indicators of Economic Development[1]

(In percent of GDP)

	1990	1991	1992	1993	1994	1995	1996	1997
Real GDP growth								
Sub-Saharan Africa	2.3	1.8	0.1	1.5	2.2	4.1	4.9	4.0
Strong performers[2]	2.4	2.1	0.8	2.8	4.1	7.4	7.8	5.9
SSA w/o South Africa and Nigeria	1.7	1.6	0.2	1.4	2.3	4.6	5.6	4.5
CFA countries[3]	-1.2	0.6	0.0	-2.0	1.9	4.6	5.3	5.5
Non CFA countries	3.0	2.1	0.1	2.2	2.2	4.0	4.9	3.8
Real per capita GDP growth								
Sub-Saharan Africa	-1.4	-1.5	-3.9	-2.4	-0.6	1.7	1.6	0.8
Strong performers	-1.2	1.6	-4.6	-4.1	0.0	4.4	4.6	3.0
SSA w/o South Africa and Nigeria	-1.2	-0.9	-3.7	-3.6	-1.1	2.2	2.2	1.6
CFA countries	-3.6	-2.0	-3.3	-4.4	-1.2	1.6	2.1	2.4
Non CFA countries	-0.9	-1.4	-4.0	-2.0	-0.5	1.7	1.4	0.5
Investment/GDP								
Sub-Saharan Africa	16.0	16.8	16.3	15.8	17.0	17.3	17.0	16.4
Strongest performers	13.6	15.2	14.6	17.1	17.5	18.1	17.8	19.6
SSA w/o South Africa and Nigeria	15.2	15.7	15.2	16.2	17.3	17.0	17.2	17.3
CFA countries	13.8	14.1	12.5	13.9	16.3	16.1	17.6	17.0
Non CFA countries	16.5	17.4	17.2	16.2	17.1	17.5	16.9	16.3
Private Investment/GDP								
Sub-Saharan Africa	11.3	12.1	11.9	11.0	11.7	12.2	12.4	12.4
Strongest performers	7.1	9.8	9.8	10.2	11.8	12.5	13.7	15.0
SSA w/o South Africa and Nigeria	9.1	10.0	9.6	10.1	10.6	10.9	11.7	11.9
CFA countries	10.2	10.8	9.9	10.8	12.7	12.2	14.6	13.8
Non CFA countries	11.5	12.4	12.3	11.0	11.5	12.2	12.1	12.2

[1] Data are from IMF and World Economic Outlook databases.
[2] Angola, Benin, Botswana, Cote d'Ivoire, Equatorial Guinea, Ethiopia, Guinea-Bissau, Lesotho, Mauritius, and Uganda.
[3] Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Central Africa Republic, Chad, Congo, Equatorial Guinea, Gabon, Guinea-Bissau (since 1997), Mali, Niger, Senegal and Togo.

Table 3 - Comparison of Saving and Investment by Region

(In percent of GDP)

	1990	1991	1992	1993	1994	1995	1996	1997
Investment								
Sub-Sahara Africa	16.0	16.8	16.3	15.8	17.0	17.3	17.0	16.4
Western Hemisphere	20.2	19.7	20.5	20.3	20.4	19.9	20.1	21.6
Asia (without Japan)	27.0	27.2	27.1	27.2	27.7	28.9	28.8	28.4
NIAE[4]	31.1	32.1	31.7	31.0	31.3	32.3	32.0	31.3
Advanced Economies	22.1	21.4	20.7	20.0	20.5	20.6	20.7	20.8
Private Investment								
Sub-Sahara Africa	11.3	12.1	11.9	11.0	11.7	12.2	12.4	12.4
Western Hemisphere	14.0	14.1	15.5	15.7	15.8	15.1	15.6	15.5
Asia (without Japan)	18.3	18.5	18.3	18.8	19.1	20.2	20.5	20.1
NIAE	24.1	24.8	24.5	23.9	24.5	25.6	25.3	24.8
Advanced Economies	18.1	17.4	16.6	15.9	16.5	16.8	16.9	17.3
Domestic Savings								
Sub-Sahara Africa	17.9	16.7	14.7	13.7	15.5	16.8	15.9	15.5
Western Hemisphere	20.1	18.5	17.8	16.9	17.5	18.0	18.6	18.0
Asia (without Japan)	29.2	30.0	30.0	31.9	33.3	32.8	33.9	32.9
NIAE	34.4	34.2	33.3	33.4	33.0	33.2	32.4	33.0
Advanced Economies	21.5	21.2	20.1	19.8	20.3	20.8	21.0	21.4

Source: World Bank Economic Outlook database and IMF Africa Department

[4] Newly industrialized economies of Asia.

APPENDIX 2

U.S. Exports to sub-Saharan Africa
U.S. Imports from sub-Saharan Africa

Exports from the U.S. to the countries of sub-Saharan Africa

COUNTRY	1995	1996	1997	Rate of Change 1996-97	Jan-June 97	Jan-June 98	Rate of Change 97-98 (6 mo)
South Africa	$2,696,500,052	$3,056,519,407	$2,926,396,476	-4%	$1,440,409,763	$1,632,672,694	13%
Nigeria	589,749,405	796,296,795	810,946,701	2%	349,900,266	393,224,351	12%
Ghana	166,701,011	294,329,622	312,800,701	6%	169,194,066	115,048,171	-32%
Angola	258,786,203	265,477,944	279,109,659	5%	147,811,932	166,334,773	13%
Kenya	112,646,181	101,313,893	222,833,919	120%	158,889,251	129,275,797	-19%
Cote d'Ivoire	172,315,087	140,328,337	149,743,100	7%	64,152,161	70,416,486	10%
Cameroon	45,571,231	69,897,438	121,554,882	74%	45,027,181	42,211,159	-6%
Ethiopia	146,792,086	145,001,810	120,291,955	-17%	48,742,391	51,629,975	6%
Guinea	66,302,235	86,698,169	82,080,631	-5%	37,316,856	32,571,296	-13%
Gabon	53,917,528	55,641,211	81,023,369	46%	39,972,586	28,415,699	-29%
Zimbabwe	120,175,224	89,004,814	78,875,524	-11%	42,723,781	30,476,102	-29%
Congo- Brazzaville	54,402,302	61,832,564	75,255,823	22%	27,208,740	47,850,883	76%
Tanzania	66,145,889	49,802,839	63,468,004	27%	35,350,420	40,156,048	14%
Senegal	67,087,910	55,355,659	51,343,410	-7%	20,246,270	30,101,307	49%
Benin	33,845,755	27,254,223	51,170,876	88%	20,719,856	23,665,901	14%
Eq Guinea	5,335,197	16,728,914	47,063,017	181%	26,115,568	31,309,233	20%
Mozambique	49,003,798	22,611,532	45,661,903	102%	22,145,260	19,168,463	-13%
Botswana	35,659,629	28,531,145	42,936,962	50%	20,210,853	23,314,437	15%
Liberia	41,552,304	49,689,674	42,686,430	-14%	21,024,381	22,089,389	5%
Congo- Kinshasa	76,816,502	73,222,855	37,584,962	-49%	25,072,295	20,529,097	-18%
Sudan	42,814,518	50,304,091	37,154,542	-26%	18,931,590	1,773,830	-91%
Uganda	21,861,798	16,471,004	35,122,173	113%	14,314,533	15,581,525	9%
Rwanda	38,461,068	36,494,340	34,970,749	-4%	15,719,730	8,375,635	-47%
Zambia	48,776,624	45,293,773	28,645,184	-37%	15,303,667	11,282,840	-26%
Mauritius	19,440,734	21,029,441	26,164,977	24%	15,848,040	8,788,272	-45%
Mali	23,117,791	18,193,120	25,956,114	43%	12,672,428	10,697,293	-16%
Togo	18,142,386	19,923,005	25,142,472	26%	9,473,694	15,140,169	60%
Namibia	26,532,343	21,878,848	25,057,735	15%	6,864,621	16,369,988	138%
Niger	17,123,314	26,842,593	24,888,863	-7%	11,514,571	7,873,401	-32%
Mauritania	42,938,924	14,559,161	20,841,099	43%	8,063,234	8,013,616	-1%
Burkina	14,576,273	10,346,340	17,945,180	73%	7,634,178	5,460,134	-28%
Malawi	17,810,207	13,216,233	17,519,542	33%	10,031,429	6,253,137	-38%
Eritrea	16,540,162	13,912,265	15,765,643	13%	5,634,919	11,042,920	96%
Sierra Leone	17,869,379	28,331,718	15,705,842	-45%	13,900,459	5,772,445	-58%
Sao Tome & Prin	1,823,906	221,488	12,941,638	5743%	7,779,321	8,653,277	11%
Madagascar	9,501,723	11,271,223	11,218,822	-0%	4,780,300	5,842,265	22%
Cape Verde	6,809,187	66,687,544	9,625,048	-86%	6,228,088	4,903,031	-21%
Gambia	5,988,341	8,356,998	9,517,288	14%	5,835,668	4,392,484	-25%
Djibouti	8,457,485	8,237,269	7,271,685	-12%	2,965,017	8,494,997	187%
Seychelles	6,871,096	103,221,405	6,010,267	-94%	2,124,399	4,230,948	99%
Swaziland	3,233,256	2,313,749	4,182,239	81%	1,862,439	2,884,167	55%
Cen African Rep	6,127,821	3,804,401	3,624,129	-5%	2,453,072	1,256,841	-49%
Chad	10,382,668	3,369,312	3,098,027	-8%	1,316,610	2,177,290	65%
Somalia	8,054,750	4,220,342	2,755,974	-35%	580,328	679,523	17%
Guinea-Bissau	868,171	7,041,015	2,487,977	-65%	397,153	717,072	81%
Lesotho	1,985,984	2,640,078	2,369,943	-10%	916,961	876,696	-4%
Burundi	2,912,056	2,109,224	542,656	-74%	161,611	303,110	88%
Comoros	678,751	77,730	73,554	-5%	23,297	209,464	799%
TOTAL	**5,299,008,240**	**6,045,908,551**	**6,069,429,663**	**0.4%**	**2,965,565,234**	**3,128,507,631**	**5%**

Source: US Customs

Trade and Development Policy Toward the Countries of sub-Saharan Africa - 1998

U.S. imports from countries of
sub-Sahara Africa

COUNTRY	1995	1996	1997	Rate of Change 1996-97	Jan-June 97	Jan- June 98	Rate of Change 97-98 (6mo)
Nigeria	$4,878,480,008	$5,876,792,217	$6,000,201,044	2%	$3,112,442,357	$2,492,959,013	-20%
Angola	2,304,857,096	2,692,566,909	2,924,527,920	9%	1,514,302,191	1,231,507,253	-19%
South Africa	2,209,586,719	2,320,438,550	2,495,462,845	8%	1,120,637,392	1,520,636,144	36%
Gabon	1,563,875,468	1,842,330,999	2,022,274,827	10%	964,687,108	657,377,903	-32%
Congo (Brazzaville)	193,489,477	302,725,477	460,762,113	52%	278,693,833	168,124,146	-40%
Cote d'Ivoire	214,077,821	403,662,361	285,590,055	-29%	178,432,809	313,058,083	75%
Congo (Kinshassa)	267,401,655	262,770,310	263,362,708	0%	141,239,859	97,931,695	-31%
Mauritius	229,593,853	216,251,366	235,384,270	9%	92,786,699	110,910,012	20%
Ghana	196,074,100	171,354,013	154,069,097	-10%	88,067,965	73,913,242	-16%
Zimbabwe	96,688,640	123,988,479	134,447,190	8%	61,358,506	66,814,830	9%
Guinea	93,114,570	115,421,232	127,671,462	11%	59,084,019	61,753,699	5%
Kenya	101,435,192	100,034,691	114,346,723	14%	58,785,402	48,265,220	-18%
Malawi	38,854,206	62,583,532	89,403,120	43%	37,664,469	20,830,623	-45%
Lesotho	61,909,313	64,996,585	86,604,836	33%	39,880,678	42,157,625	6%
Ethiopia	32,784,056	34,585,920	69,650,883	101%	32,658,604	32,643,836	-0%
Madagascar	57,238,464	45,675,295	62,489,131	37%	27,261,924	29,868,688	10%
Namibia	11,449,630	26,943,914	62,338,028	131%	27,134,138	33,302,919	23%
Cameroon	57,590,562	64,576,507	57,184,553	-11%	25,378,295	18,448,563	-27%
Zambia	32,892,781	63,824,107	55,903,695	-12%	31,071,895	24,598,251	-21%
Swaziland	30,237,359	29,915,994	43,975,434	47%	17,423,010	11,171,414	-36%
Uganda	13,158,044	15,909,360	37,713,000	137%	23,551,893	8,379,342	-64%
Eq Guinea	30,969,491	75,952,983	30,484,972	-60%	7,434,223	39,081,217	426%
Mozambique	27,543,628	26,551,898	29,631,487	12%	8,879,069	5,876,188	-34%
Tanzania	22,420,075	18,447,477	26,935,060	46%	9,407,413	13,670,566	45%
Botswana	21,113,300	27,209,754	24,540,270	-10%	11,411,642	8,890,824	-22%
Sierra Leone	28,477,811	22,372,489	18,367,417	-18%	10,117,521	6,930,219	-32%
Burundi	21,185,532	2,080,597	13,811,754	564%	1,070,563	4,984,431	366%
Sudan	22,497,171	18,654,385	12,108,882	-35%	6,994,754	2,569,618	-63%
Benin	9,769,653	18,154,329	8,079,961	-55%	3,830,590	2,425,538	-37%
Niger	1,550,711	772,977	7,512,598	872%	6,935,509	895,995	-87%
Senegal	6,476,312	5,493,528	6,626,794	21%	3,845,841	3,194,642	-17%
Togo	29,325,208	4,235,128	5,488,043	30%	4,811,355	1,100,513	-77%
Liberia	9,728,359	26,893,354	4,851,748	-82%	1,784,686	11,721,416	557%
Rwanda	1,880,194	8,747,967	3,894,768	-55%	3,029,169	806,581	-73%
Mali	5,494,524	5,466,930	3,805,529	-30%	1,626,507	1,451,952	-11%
Gambia	2,258,920	1,927,476	3,515,709	82%	1,519,691	1,544,911	2%
Chad	3,255,602	7,010,541	2,861,837	-59%	798,285	2,778,618	248%
Comoros	2,223,984	6,216,792	2,564,501	-59%	647,127	362,039	-44%
Seychelles	2,430,525	2,826,442	2,338,585	-17%	1,202,675	878,438	-27%
Cen African Rep	354,442	268,443	1,349,672	403%	1,169,228	1,467,967	26%
Eritrea	261,880	1,547,890	1,293,752	-16%	208,312	301,308	45%
Burkina	379,175	3,834,811	993,818	-74%	172,437	455,046	164%
Cape Verde	278,415	406,710	496,226	22%	269,033	17,355	-94%
Somalia	105,974	150,106	310,907	107%	186,615	603,063	223%
Mauritania	5,540,328	5,294,390	240,623	-95%	170,000	265,905	56%
Sao Tome & Prin	144,459	449,473	221,026	-51%	83,228	198,706	139%
Guinea-Bissau	39,000	46,404	70,601	52%	59,967	172,886	188%
Djibouti	34,050	7,715	426	-94%	0	428,722	
Total	**12,940,529,732**	**15,128,370,803**	**15,995,761,897**	**6%**	**8,020,208,486**	**7,177,727,165**	**-11%**

Source: US Customs

Trade and Development Policy Toward the countries of sub-Saharan Africa